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COMMITTEE FOR PROGRAMME AND
COORDINATION
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COORDINATION QUESTIONS

Follow-up to the cross-organizational programme analysis of the activities of the United Nations system on industrial development

SUMMARY

After considering the cross-organizational programme analysis of the activities of the United Nations system on industrial development (E/AC.51/1990/6), the Committee for Programme and Coordination made a number of recommendations, including several related in particular to industrial development and the environment. It also made recommendations on the relationship between industrial development and the least developed countries, the use of economic and technical cooperation among developing countries as cooperating instruments, and the involvement of women in programme and project activities on industrial development.

The present report focuses on recent efforts, as well as on the views of the organizations of the system in the implementation of the recommendations. The responses indicate that overall the organizations are implementing the recommendations, with due regard given to the limited period of time available since the endorsement of the recommendations.

* E/AC.51/1991/1.

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Abbreviations

CPC	Committee for Programme and Coordination
CSTD	Centre for Science and Technology for Development
DIESA	Department of International Economic and Social Affairs
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ECDC/TCDC	Economic cooperation among developing countries/technical cooperation among developing countries
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
IAEA	International Atomic Energy Agency
IFC	International Finance Corporation
ILO	International Labour Organisation
IMO	International Maritime Organization
INSTRAW	International Research and Training Institute for the Advancement of Women
LDCs	least developed countries
NaTCAP	National technical cooperation assessments programme
OECD	Organisation for Economic Cooperation and Development
UNCED	United Nations Conference on Environment and Development
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTC	United Nations Centre on Transnational Corporations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations International Fund for Women
UNU	United Nations University
WHO	World Health Organization
WIPO	World Intellectual Property Organization

I. INTRODUCTION

1. The cross-organizational programme analysis of the activities of the United Nations system on industrial development (E/AC.51/1990/6) was considered by the Committee for Programme and Coordination at its thirtieth session. Based on the recommendations contained in the report, the Committee made 11 specific recommendations related to industrial development. The Committee's recommendations (A/45/16, Part I) were endorsed by the Economic and Social Council at its resumed second regular session of 1990 (Council decision 1990/282).

2. Several of the recommendations are directed to all the organizations of the system. There are, however, others of specific concern to individual organizations. Such is the case, for example, of UNIDO as the lead organization of the United Nations system in the area of industrial development, the World Bank as an important contributor to the financing of industrial development in developing countries, ILO as the agency specializing in social and labour issues related to industrial development, and UNDP as a multilateral funding organization with regard to its pre-investment activities in the area of industrial development. Recognizing the importance that the system attaches to environmentally sound industrial development and to the implications of industrial development on the environment, some of the recommendations also concern the role of UNEP with regard to environmental matters and industrial development.

3. The Committee also made recommendations to all the organizations of the United Nations system concerning the least developed countries and industrial development, the use of ECDC/TCDC as cooperative instruments in industrial development activities and the relevance of the involvement of women in industrial development. Subsequently, the Department of International Economic and Social Affairs initiated the process of collecting information on the implementation of the recommendations in order to report to CPC at its thirty-first session, in 1991. The organizations of the system that participated in the cross-organizational programme analysis were requested to provide information on the action taken or proposed to be taken in the implementation of the recommendations.

4. The original cross-organizational programme analysis was based on information on 25 organizations. Of these, 14 reported directly; information on the others was based on information provided by bodies such as UNDP and UNIFEM or taken from the United Nations programme budget. This follow-up presents information related to 20 organizations. Fourteen organizations have reported directly. Bodies such as UNCTC and UNEP have provided information on activities involving other entities (CSTD, UNCTAD, UNIFEM, WHO, IMO and IAEA).

5. The Secretariat acknowledges and appreciates the cooperation of the organizations in responding to the request for information. Because of the limited period of time since the endorsement of the recommendations and the limitation on the length of documentation, the report presents a brief

synthesis of the recommendations and the main developments and views related to their implementation. The table contains recommendations of the Committee and the organizations that are taking action or plan to take action in carrying out the recommendations.

II. SUMMARY

6. The organizations of the United Nations system recognize the importance of industrial development and the usefulness of the recommendations of the Committee. Thus, they have fully reported on activities related to industrial development in the implementation of the recommendations. They have also reported on activities that fall within their planned programme of work that are relevant to the spirit of the recommendations. For example, the general concern for and full participation of all the organizations in the 1992 United Nations Conference on Environment and Development is noteworthy. This includes participation in meetings and relevant working parties, as well as preparation of research and studies as contributions to be submitted to the Conference. The present report, therefore, highlights some of the most relevant activities and the specific views of the organizations in connection with the recommendations.

7. The following sections contain a review of the individual recommendations of the Committee and the related action taken by the organizations.

A. Substantive liaison function between UNIDO and the World Bank

8. The Committee recommended the establishment of a substantive liaison function between UNIDO and the World Bank to strengthen coordination. In this connection, UNIDO has established, as of late 1989, an interdepartmental working group to formulate ways and means to enhance coordination with the World Bank. On the other hand, UNIDO is of the view that the effective functioning of the existing focal point within its headquarters' offices should be sufficient for ensuring adequate coordination with the Bank.

9. The World Bank's position on this issue is that the liaison function between the Bank and UNIDO is maintained at two levels: (a) a central machinery through its Industry Development Division establishes liaison with UNIDO on global issues and policy and strategy questions, and (b) owing to the decentralized character of its operational activities, the regional technical departments within the industry and environment divisions should provide efficient liaison for country and regional matters.

B. Coordinative arrangements with the World Bank

10. Concerning the recommendation of the Committee that the World Bank and United Nations organizations with significant operations in industrial development consider establishing coordinative arrangements, the Bank maintains active coordination with a number of United Nations organizations and bodies working in the field of industrial development such as UNIDO, UNCTAD, ILO and UNIFEM, as well as with other multilateral and bilateral agencies, on the promotion of small-enterprise and micro-enterprise development, including the participation of women in small-scale enterprises, micro-enterprises and policy-making.

C. Information exchange

11. Given the importance of the role of UNDP in channelling funds for pre-investment purposes, the Committee invited UNDP to strengthen the flow of information on relevant project developments. On this issue, UNDP has been publishing annual reports on investment commitments related to UNDP-assisted projects. However, since those reports are based on information also provided by other financing sources, they are usually available one year after the period under review.

12. Furthermore, regional project development facilities, co-financed by UNDP, IFC and other bilateral agencies, maintain information exchange with United Nations organizations, regional development banks, the World Bank and other financing sources. The regional project development facilities promote private sector business investment opportunities, from project identification to actual investment.

13. In addition, UNIDO plans to establish a database on technical cooperation activities within the context of NaTCAPs under the guidance of the United Nations resident coordinators.

D. United Nations resident coordinators

14. The Committee recommended that coordination of industrial development activities at the national level be strengthened through, inter alia, United Nations resident coordinators playing a more pivotal role.

15. The recently concluded Memorandum of Understanding between UNIDO and UNDP on the integration of UNIDO field representation within UNDP field offices should bring about closer coordination between the two organizations and increase the level of coordination on industrial development activities. Similarly, UNIDO country directors and their junior professional officers are in a position to assist in providing technical expertise and thus reinforce the coordination responsibility of the latter.

E. Industrial development and the environment

16. The Committee made four specific recommendations on the relationship of industrial development and the environment; the recommendations and the responses of the organizations to them are presented in the following paragraphs.

1. The concept of environmentally sound development

17. With regard to the recommendation of the Committee to increase the understanding of the importance of environmentally favourable considerations in the process of industrial development, it can be stated that all the organizations of the system have expressed their recognition of the importance of the impact of industrial development on the environment and they are therefore taking steps towards integrating environmental considerations into the planning of their activities. Relevant developments include the establishment of an environment coordination unit at UNIDO as the focal point for the implementation of the environment programme. In this connection, UNEP is increasing its efforts to disseminate knowledge and assist in the coordination of activities on environmental issues related to industrial development among United Nations organizations, other international and non-governmental organizations, government and industry, including experts and decision makers in this field. Further, consultations and joint activities related to aspects of industrial development and the environment are increasingly taking place among organizations and bodies such as UNEP, UNIDO, UNDP, the World Bank, ILO, FAO, WHO, CSTD, IAEA and IMO. Other joint activities include research on global industrial pollution problems and studies on the role of transnational corporations in contributing to environmentally sound development.

2. Tripartite work: UNIDO, UNEP and the World Bank

18. UNIDO, UNEP and the World Bank have important responsibilities with respect to industrial development and the environment, and the Committee suggested that consultative mechanisms be used to strengthen coordination among them and other relevant United Nations organizations. Formal coordinating mechanisms have not taken place. However a Global Environment Facility (GEF) to assist developing countries in the financing of projects that protect the global environment has recently been established. In addition, an Interim Multilateral Fund of $160 million has been established in support of the objectives of GEF. Both financing institutions are under the aegis of UNDP, UNEP and the World Bank. In this connection and considering the responsibilities of UNIDO in the area of industrial development, it is suggested that these organizations, in conjunction with UNIDO, explore the possibility of inviting UNIDO to participate as the fourth executing agency of the Global Environment Facility and the Interim Multilateral Fund.

3. United Nations Conference on Environment and Development, 1992

19. The Committee emphasized the importance of the United Nations Conference on Environment and Development for economic growth and the industrial development objectives of all countries, particularly the developing countries. The Committee considered that to assist developing countries in attaining those objectives they should have access to adequate technologies to promote environmentally sound industrial development. It suggested that organizations become more aware of the policies and activities in industrial development carried out by other organizations.

20. Most of the organizations of the United Nations system have actively participated at a high level in the preparations for the 1992 Conference. ECE, UNCHS, UNCTC, FAO, WIPO and INSTRAW have participated in regional meetings and/or in the meetings of the Preparatory Committee of the Conference. ECLAC is organizing a regional preparatory meeting for the Conference, to be held in Mexico City in March 1991. UNIDO, UNCHS and FAO are organizing relevant meetings or conferences, the outputs of which will be submitted to the Conference. In addition, UNIDO, ECE, UNCHS and the Population Division of the Department of International Economic and Social Affairs have participated in relevant working meetings. INSTRAW, UNIDO, UNCTC and ECLAC, among others, are responsible for contributing studies and relevant documents to the Conference.

21. UNIDO, UNEP and UNCTC are continuing their efforts towards the transfer of technology and information to developing countries, including the least developed countries, through technical assistance programmes and studies in cooperation with other organizations and bodies such as UNCTAD, CSTD and OECD.

4. Thematic analysis on environment and development in 1993

22. The Committee called upon relevant United Nations bodies to begin the necessary preparatory work for the thematic analysis on environment and development in 1993, and to provide their inputs to the work of the Preparatory Committee for the Conference on Environment and Development and to the Conference.

23. Considering that it is still early for the preparatory work for the thematic analysis, it is expected that the planning of, as well as the contributions of the organizations of the system to, the analysis will benefit from the results and directives emanating from the Conference in June 1992.

24. As noted elsewhere in the report, the organizations of the system are actively preparing inputs to the Conference, including the results of relevant meetings and conferences, and are providing assistance in the preparation of the industrial development part of national reports to be submitted to the Preparatory Committee and to the Conference.

F. Increased share of resources for the least developed countries

25. In view of the low share of resources available for industrial development to the least developed countries, the Committee stressed the need to provide them with an adequate level and share of resources to enable them to attain sustained industrial development.

26. Responses indicate that steps are being taken in this direction: (a) UNIDO has designated a coordinator to pay attention to LDC issues and priorities; (b) ILO has increased to 37.8 per cent the share of operational activities resources to the least developed countries, including industrial development; (c) ECA has provided 43 experts to assist 27 African least developed countries in the preparation of national programmes as inputs to the Second Industrial Development Decade for Africa. Other organizations and offices such as the United Nations Centre on Transnational Corporations, the Statistical Office of the Department of International Economic and Social Affairs, UNCHS and FAO continue to pay particular attention to LDCs through activities within their spheres of competence.

G. Wider use of ECDC/TCDC mechanisms

27. In recognizing the importance of economic and technical cooperation among developing countries, the Committee recommended greater use of these cooperative instruments.

28. There is a general consensus among the organizations of the system on the importance of developing and strengthening the use of these mechanisms, and they have continued to implement related activities. For example, FAO has promoted technical cooperation networks that should facilitate technology transfer and sharing of experience in agro-industrial development in the Latin American and Caribbean region. A similar institution will be established in Asia and in the Near East in the near future. The United Nations Centre on Transnational Corporations has undertaken seminars to facilitate the sharing of experience of several developing countries in foreign investment institutional arrangements and procedures and monitoring of agreements on technology transfer. It is considered, however, that a more prolonged period of time would enable the organizations to implement fully the recommendation and strengthen the use of these mechanisms for promoting industrial development.

H. Fuller participation of women in the industrial development process

29. The cross-organizational programme analysis noted that women were not full participants in the industrialisation process. The Committee stressed the need for the organizations of the United Nations system to promote the involvement of women in the industrialization process to their full potential

and in accordance with the system-wide medium-term plan on women and development, 1990-1995.

30. The concern of the organizations of the system seems to be centred on promoting the access of women to small-scale industry and enterprises and the incorporation of women in the industrialization process as members of the work force and at the entry to medium levels of the decision-making process. Organizations and offices with significant activities in this area, such as UNIDO, UNDP, the World Bank, ILO, ECA and the Statistical Office of DIESA, have programmes and activities that foster the involvement of women in small industrial sectors, the informal sector and small rural industries. INSTRAW and ECLAC, on the other hand, have some programmes for women entrepreneurs or managers. It is, however, necessary to stress the need to promote the participation of women in all sectors of industry, including their active involvement in the decision-making process.

III. CONCLUSIONS

31. The organizations of the United Nations system have responded, to a considerable extent, to the recommendations of CPC on industrial development, including the relationship between industrial development and specific areas such as the environment, the least developed countries, ECDC/TCDC modalities and the full involvement of women in the industrial development process.

32. While coordination between UNIDO and the World Bank has been strengthened, a different approach from that recommended by the Committee is being used. Thus, UNIDO prefers a more centralized mechanism within its headquarters' offices, while the Bank combines a centralized approach for global matters involving policies and strategies and a decentralized approach for country and regional issues. It is expected that the support given to United Nations resident coordinators will continue to be strengthened, that the active participation of the organizations in the United Nations Conference on Environment and Development will bring benefits and that UNEP will continue to strengthen its catalytic role in disseminating information and in the coordination of environmental efforts related to industrial development.

33. With regard to the attention being given to the efforts of LDCs in industrialization, the organizations of the United Nations system are taking steps to increase their assistance to those countries. Similar conclusions can be made in connection with the use of ECDC/TCDC mechanisms.

34. Finally, as stated in the report, the system's action to involve women in all sectors of industry and at all levels of the decision-making process merits encouragement and follow-up.

Reference to action taken by the organizations of the United Nations system in the implementation of the recommendations of CPC

Recommendation	Organization/ agency cited/concerned	Organizations taking action	Organizations proposing action
A. Substantive liaison function between UNIDO and the World Bank			
In the case of UNIDO, which has major responsibilities in this field, both directly as the principal United Nations organization in industrial development and as a result of its legislative mandate to coordinate activities of all United Nations organizations in the field, the Committee suggested that UNIDO, in cooperation with the World Bank, consider establishing a substantive liaison function.	UNIDO World Bank	UNIDO World Bank	
B. Coordinative arrangements with the World Bank			
Given the contribution of the World Bank in financing industrial development in developing countries, the Committee recommended that other United Nations organizations with significant operations in industrial development that did not at that time have active coordinative arrangements with the Bank consider establishing, under mutually agreeable terms, active and pragmatic coordination arrangements.	World Bank, organizations with significant operations in industrial development	World Bank UNIDO UNEP UNCTAD UNIFEM ILO	
C. Information exchange			
UNDP was invited to consider ways and means to provide an information exchange function with regard to pre-investment activities it funded in the area for the mutual benefit of different types of executing agencies.	UNDP	UNDP UNIDO	UNIDO

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Recommendation	Organization/ agency cited/concerned	Organizations taking action	Organizations proposing action
D. United Nations resident coordinators			
The Committee stressed the importance of coordination of activities at the national level among the various organizations engaged in industrial development. Given the significant size of multilateral funding of those activities at that level, it was recommended that coordination at the national level be strengthened, through, inter alia, United Nations resident coordinators playing a more pivotal role.	UNDP	UNDP	
E. Industrial development and the environment			
1. The concept of environmentally sound industrial development			
The Committee stressed the need for United Nations organizations active in industrial development to increase their efforts, within their own spheres of competence, to bring about greater understanding of the importance of environmentally favourable considerations in the process of promoting industrial development in developing countries.	All	UNIDO, UNEP UNDP, ECA DIESA-Stat. Off. UNCTC, UNCHS CSTD, ILO, FAO WHO, IMO, WIPO UNU, IAEA World Bank	World Bank UNDP
2. Tripartite work: UNIDO, UNEP and the World Bank			
Given the special responsibilities of UNIDO in the field of industrial development and those of UNEP in the field of environment and the work being done by the World Bank on the issue of industrial development and the environment, it was suggested that those organizations work closely with one another and with other relevant organizations in the system with a view to coordinating their activities more effectively through	UNIDO UNEP World Bank	UNIDO UNEP UNDP ILO FAO World Bank	

Recommendation	Organization/ agency cited/concerned	Organizations taking action	Organizations proposing action
appropriate consultative mechanisms in order to benefit the United Nations system as a whole, bearing in mind the system-wide medium-term environment programme.			
3. United Nations Conference on Environment and Development, 1992			
The Committee emphasized the importance of the United Nations Conference on Environment and Development in 1992 for economic growth and the industrial development objectives of all countries, though particularly those of developing countries. In that context, a full examination should be carried out of the potential means to achieve those objectives in environmentally safe ways. To assist in that, developing countries should have access to technologies designed to promote environmentally sound industrial development. The joint efforts involving United Nations organizations in that undertaking suggested in paragraph 10 of the COPA (E/AC.51/1990/6) were unclaimed. Paragraph 10 reads as follows: "Co-ordinative linkages in the field of industrial development between many United Nations organizations and agencies, including UNIDO and the World Bank, should be strengthened. The two groups of multilateral organizations, all part of the United Nations family, would benefit by more up-to-date and practical awareness of each other's respective aims, policies and activities in this esssential area of development. There is much to be gained by both groups of organizations and by the countries they serve, whether donor or recipient, through more dynamic and pragnatic exchanges of information, insights and expertise."	All	All	UNIDO DIESA-Pop. Div. ECE ECLAC INSTRAW FAO

Recommendation	Organization/ agency cited/concerned	Organizations taking action	Organizations proposing action
4. Thematic analysis on environment and development in 1993			
The Committee highlighted the importance of the proposal by the Economic and Social Council for a thematic analysis on environment and development for 1993. It called upon all relevant United Nations bodies to begin the necessary preparatory work on that analysis at an early date, as well as to provide their inputs to the work of the Preparatory Committee and subsequently to the United Nations Conference on Environment and Development in 1992.	All	All	
F. Increased share of resources for the least developed countries			
The Committee noted that the least developed countries received a low share of development resources for industrial development and stressed the need to provide them with an adequate level and share of resources to enable them to attain viable and sustained industrial development.	All	UNIDO DIESA-Stat. Off. ECA UNCTC UNCHS ILO FAO	UNIDO UNCTC
G. Wider use of ECDC/TCDC mechanisms			
The Committee recognized the importance of economic and technical cooperation among developing countries. It recommended greater use of those cooperative instruments among all developing countries.	All	UNIDO DIESA-Pop. Div. ECA UNCTC INSTRAW ILO FAO WIPO	

Recommendation	Organization/ agency cited/concerned	Organizations taking action	Organizations proposing action
H. <u>Fuller participation of women in the industrial development process</u>			
The Committee also stressed the need for the organizations of the United Nations system to pursue efforts towards the full involvement of women in industrial development programmes and project activities designed to enable them to participate in the industrialization process to their full potential and in accordance with the system-wide medium-term plan on women and development, 1990-1995.	All	UNIDO DIESA-Stat. Off. UNDP ECA ECLAC UNCTC UNCHS INSTRAW ILO FAO WIPO World Bank	ECA ECLAC INSTRAW ILO FAO